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MINISTRY OF FINANCE

(Department of Revenue)

NOTIFICATION

CENTRAL EXCISES

New Delhi, the 4th May 1961

G.S.R. 664.—In exercise of the powers conferred by sub-rule (1) of rule 8 of the Central Excise Rules, 1944, as in force in India and as applied to the State of Pondicherry, the Central Government hereby exempts from so much of the duty leviable thereon as is in excess of Rs. 11·08 nP. per quintal, such quantity of sugar produced in a factory during the year commencing on the 1st November, 1960, as is in excess of the average quantity of sugar produced in that factory during the preceding two years commencing on the 1st November, 1958 and ending with the 31st October, 1960:

Provided that—

(i) the exemption shall not be admissible on khandsari sugar or palmyra sugar, or sugar refined from gur or khandsari in a vacuum pan factory;

(ii) in cases of such factories which went into production only in 1958-59 season, or thereafter, or other factories which for special reasons did not function during 1958-59 and/or 1959-60, the exemption shall be granted only on such quantity of sugar produced during the year commencing on the 1st November, 1960 as is in excess of the basic production calculated in accordance with any one of the following formulae as may be applicable depending on the season of going into production of the factory concerned, namely:—

(1) *Factories which went into production in 1960-61*

$$\text{Basic production} = 0\cdot7C \times \frac{(d_1 \text{ plus } d_2)}{2} \times \cdot6 \times \frac{r_1}{100}$$

(2) *Factories which went into production in 1959-60*

$$\text{Basic production} = 0\cdot85C \times \frac{(d_1 \text{ plus } d_2)}{2} \times \cdot85 \times \frac{r_2}{100}$$

(3) *Factories which went into production in 1958-59*

$$\text{Basic production} = \cdot9C \times \frac{(d_1 \text{ plus } d_2)}{2} \times \cdot9 \times \frac{r_3}{100}$$

In the above formulae—

- C means licensed capacity of the factory expressed in quantities, reduced to 22 hours working, i.e., multiplying the licensed capacity with 22/24.
- d1 means average duration of the season in days in 1958-59 in the State in which the factory is situated. This is reckoned by dividing the number of hours actually worked by 22.
- d2 means average duration of season, as in case of d1, in 1959-60.
- r1 means sugar produced expressed as percentage of cane crushed by the factory in 1960-61.
- r2 means sugar produced expressed as percentage of cane crushed by the factory in 1959-60.
- r3 means weighted average recovery of sugar per cent cane of the factory during 1958-59 and 1959-60, i.e.,
- $$= \frac{\text{Total sugar produced in 1958-59 and 1959-60}}{\text{Total sugar cane crushed in 1958-59 and 1959-60}} \times 100;$$

Provided further that—

- (i) in cases of factories which worked for two seasons, namely, in 1958-59 and 1959-60, if their average production in those years had exceeded the basic production calculated as above, the average production obtained shall be taken into account for determining the quantity on which exemption shall be allowed;
- (ii) in cases of factories which went into production in 1959-60, if the actual production in 1959-60 exceeded the basic production, then the actual production in 1959-60 shall be taken into account;
- (iii) for factories which went into production in 1960-61, the rebate shall be allowed on production in excess of the basic production.

NOTE.—(1) The exemption in case of factories situated in the State of Maharashtra and Gujarat shall be calculated taking the average duration of season (d1 and/or d2) of the former composite State of Bombay.

- (2) For factories in the State of Assam, the average duration of season of West Bengal shall be taken to be the Assam State's average.
- (3) For factories in the State of Pondicherry, the average duration of Madras State shall be taken to be the Pondicherry State's average.
- (4) If a factory, during its first season of going into production, had only a trial run, that is to say, had worked for less than 40 per cent of the average duration of season in that year in the State, then the basic production of that factory shall be calculated in accordance with the formula applicable to the following season.

[No. 135/61.]

L. M. KAUL, Dy. Secy.